

**Internal Revenue Service**  
PO Box 13163  
Baltimore, MD 21203

**Department of the Treasury**

**Date: March 6, 2006**

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**ATTN: Pension/IRA Department**

Dear Sir or Madam:

It has come to our attention that many employers who have adopted SIMPLE IRA plans are using out-of-date plan documents. We are finding upon examination that many plans have not been timely updated for the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA).

In the interest of preserving the tax benefits of SIMPLE IRA plans, the Service is offering a **period of relief** for employers to bring their SIMPLE IRA plan documents into compliance. This period of relief begins immediately and will end **December 31, 2006**.

To be in compliance, a sponsor of a SIMPLE IRA plan must have a plan document incorporating the applicable provisions of the EGTRRA. If an employer is using an IRS model plan *Form 5304-SIMPLE* or *Form 5305-SIMPLE* as its document, the revision date of the form must be either March 2002 or August 2005. Alternatively, if an employer is using a prototype SIMPLE IRA plan issued by a financial or other institution, the issue date or most recent revision date should be after April 2002.

The Service will be sending the enclosed letter to the employers that it has identified through Forms W-2 as having SIMPLE IRA plans. To enable *all* employers sponsoring SIMPLE IRA plans to take advantage of the relief period, the Service strongly encourages SIMPLE IRA plan custodians, trustees, and sponsors of SIMPLE IRA prototype plan documents to remind their clients of the requirement for up-to-date documents.

For more information on this relief for SIMPLE IRA plans, go to the IRS Retirement Plans Community web page at [www.irs.gov/ep](http://www.irs.gov/ep) or call us toll free at 1-877-829-5500.

Sincerely,

Carol D. Gold  
Director,  
Employee Plans

Enclosure: Letter 4083(CG)

Letter 4084(CG)